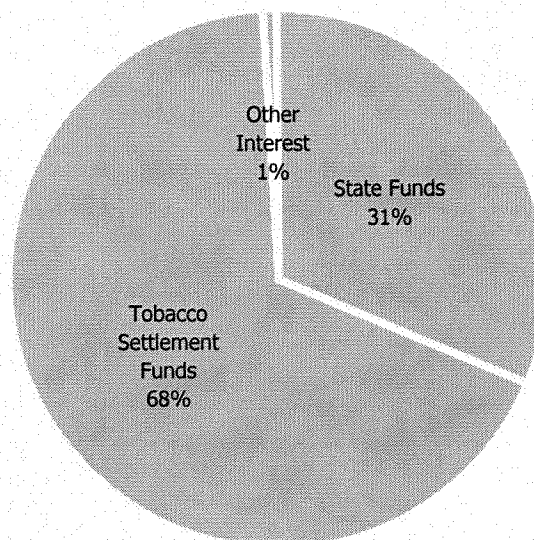
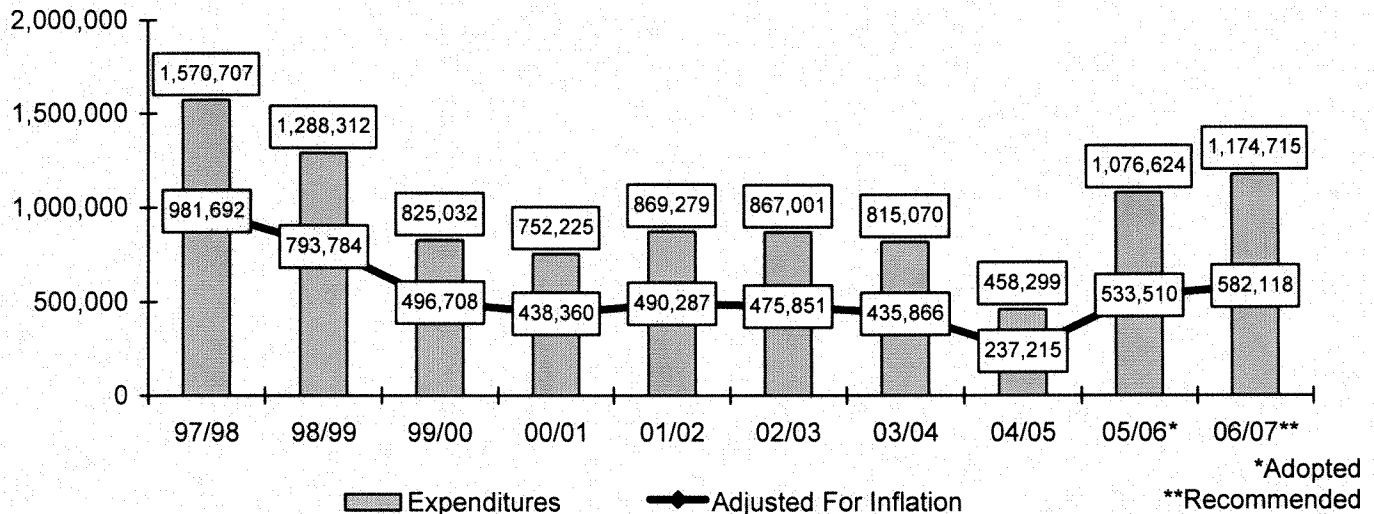


**MISSION STATEMENT**

To pay medical providers for uncompensated care and ensure follow-up treatment for children's qualifying conditions detected during a Child Health and Disability Prevention (CHDP) screening or patients seeking urgent care via emergency rooms.

<u>Financial Summary</u>	<u>2005-06 Budget</u>	<u>2005-06 Projected</u>	<u>2006-07 Requested</u>	<u>2006-07 Recommended</u>	<u>Change from 2005-06</u>
Revenues	\$ 1,076,624	\$ 1,271,551	\$ 1,174,715	\$ 1,174,715	\$ 98,091
Fund Balance Available	\$ 7,393	\$ 7,393	\$ 0	\$ 0	\$ (7,393)
Cancelled Reserves	0	0	0	0	0
Total Financing Sources	<u>\$ 1,084,017</u>	<u>\$ 1,278,944</u>	<u>\$ 1,174,715</u>	<u>\$ 1,174,715</u>	<u>\$ 90,698</u>
Salary and Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Services and Supplies	501,624	511,624	418,717	418,717	(82,907)
Other Charges	575,000	767,320	755,998	755,998	180,998
Fixed Assets	0	0	0	0	0
Gross Expenditures	<u>\$ 1,076,624</u>	<u>\$ 1,278,944</u>	<u>\$ 1,174,715</u>	<u>\$ 1,174,715</u>	<u>\$ 98,091</u>
Contingencies	7,393	0	0	0	(7,393)
New Reserves	0	0	0	0	0
Total Financing Requirements	<u>\$ 1,084,017</u>	<u>\$ 1,278,944</u>	<u>\$ 1,174,715</u>	<u>\$ 1,174,715</u>	<u>\$ 90,698</u>

**Source of Funds**

**10 Year Expenditures Adjusted For Inflation****SERVICE PROGRAMS****California Healthcare for Indigents Program (CHIP)**

Provide timely payments to physicians for all uncompensated emergency, obstetric, and pediatric medical services and pay designated hospitals for any services provided for patients who are unable to pay and who do not qualify for other public medical assistance programs. Administer the Child Health and Disability Prevention Referral and Follow-Up Program to pay for follow-up care for children with conditions detected during a Child Health and Disability Prevention screening.

Total Expenditures: \$188,694 Total Staffing (FTE): 0.0\*

**Emergency Medical Services Appropriation (EMSA)**

Authorized via the passage of SB 2132 in 2002/03, the Emergency Medical Services Appropriation provides additional funding for indigent health care services.

Total Expenditures: \$189,736 Total Staffing (FTE): 0.0\*

**Tobacco Settlement Funds (TSF)**

In 1998 over 40 states, including California reached a Master Settlement Agreement with a group of tobacco product manufacturers that resulted in local governments receiving settlement funds for a period of 20 years. In 2002, an initiative measure was approved by the electorate in San Luis Obispo County which, among other things, requires that 23% of the County's share of all TSF be used to fund emergency room services and 6% of the County's TSF be used to offset the cost of uncompensated care provided by local hospitals.

Total Expenditures: \$796,285 Total Staffing (FTE): 0.0\*

\* Staffing reflected in Fund Center 350 - County Medical Services Program

**DEPARTMENT COMMENTS**

The health of individuals and communities, regardless of economic resources, depends greatly on access to quality health care. It is important to eliminate health disparities and to increase the quality and years of healthy life for all people.

In November 1988, California voters approved the California Tobacco Tax and Health Promotion Act of 1988 (Proposition 99), which increased the State surtax on cigarettes by 25 cents per pack and an equivalent amount on other tobacco products. Revenues from this tobacco tax were earmarked for tobacco-related disease research, health education against tobacco, and health care for medically indigent families.

In 1989, the Legislature, through Assembly Bill 75, established the California Healthcare for Indigents Program (CHIP), which allocates Proposition 99 (Tobacco Tax) funds to participating counties. These funds reimburse providers for uncompensated medical services for individuals who cannot afford care and for whom no other source of payment is available.

All CHIP funds received are disbursed to the private hospitals, and a small portion is disbursed to physicians and dentists who provide follow-up care to children with conditions detected during a Child Health and Disability Prevention (CHDP) screening.

The Emergency Medical Services Appropriation (EMSA) is a redirection of CHIP funds. The State legislature enacted the program in FY 2002-03 with the passage of Senate Bill 2132 to partially pay physicians for uncompensated care provided in hospital emergency rooms.

Per the State Auditor's recommendation, Tobacco Settlement Fund (TSF) revenues were transferred into this fund from the EMS Fund (Cost Center 351) to ensure the integrity of revenues collected in the EMS Fund. The TSF Physician Account funds are passed through to the Society Group. The Society Group is entitled, by contract, to 1% of the TSF Physician Account funds for their administrative costs. The TSF Hospital Account funds are distributed to the private hospitals based upon OSHPD data.

Most of these programs funds provide partial payment to physicians and hospitals for uncompensated care for medical services administered to medically indigent families within the County. This fund does not receive General Fund support.

#### **COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS**

This budget is recommended as proposed. Revenues and expenses are each increasing 8%. The revenue increase is primarily attributable to increases in CHIP and TSF revenue and the increase in expenses reflects the "pass through" of these funds to hospitals and physicians.